

ORDINANCE NUMBER O-19179 (NEW SERIES)

ADOPTED ON MAY 20 2003

AN ORDINANCE AMENDING CHAPTER 6, ARTICLE 6, DIVISION 1, OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTIONS 66.0102, 66.0113, 66.0119, AND 66.0123 RELATING TO SOLID WASTE COLLECTION FRANCHISES.

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. Chapter 6, Article 6, Division 1, of the San Diego Municipal Code is hereby amended by amending Section 66.0102, Section 66.0113, Section 66.0119, and Section 66.0123, to read as follows:

Sec. 66.0102 Definitions

All defined terms in this Article appear in italics. For the purposes of Article 6, the following definitions apply:

[No change in definitions.]

Sec. 66.0113 Franchise Term

The initial term for *Class I and Class II Franchise Agreements* shall not exceed ten years. Any such *Agreement* may be extended by the *Council* under the terms and conditions provided for in the *Franchise Agreement*.

Sec. 66.0119 Other Franchise Provisions

(a) - (c) [No change in text.]

(d) The *Council* may convert a *Class I Franchise* to a *Class II Franchise* at any time that all criteria in the *Agreement* for such conversion are met.

Notwithstanding Section 66.0114(b), the submittal time period for applications requesting conversion of a *Class I Franchise* to a *Class II Franchise* shall be governed by the provisions of the *Agreement*. Applications for conversion of a *Class I Franchise* to a *Class II Franchise* shall be submitted in accordance with Section 66.0112 and reviewed in accordance with Section 66.0114.

Sec. 66.0123 Faithful Performance Bonds

(a) Each *Franchisee*, concurrently with the filing of and acceptance of the award of the *Franchise* and any and all renewals of the *Franchise Agreements*, shall file with the *City* and at all times thereafter maintain in full force and effect throughout the term of the *Franchise* and all extensions thereof, at the *Franchisee's* sole expense, a corporate surety bond, payable to the *City*, executed by a corporation authorized to transact surety insurance in the State of California. The principal sum of the bond will be established by the *City Manager*. The bond shall be renewed annually, and conditioned upon the faithful performance of the *Franchisee*, and upon the further condition that in the event the *Franchisee* shall fail to comply with any one or more of the provisions of the *Franchise Agreement*, waste delivery agreement, *AB 939* provisions, late fees, penalties, or fines, there shall be recoverable jointly and severally from the principal and surety of such bond any damages or loss suffered by the *City* as a result thereof, including the full amount of any compensation, indemnification, or cost of removal or abandonment of any property of the *Franchisee*, plus a reasonable allowance for

attorney's fees and costs, up to the full amount of the bond, such condition to be a continuing obligation for the duration of the *Franchise* and thereafter until the *Franchisee* has liquidated all of its obligations with the *City* which may have arisen from the acceptance of the *Franchise* by the *Franchisee* or from its exercise of any privilege granted by this Chapter 6, Article 6. The bond shall provide that thirty days' prior written notice of intention not to renew, cancellation, or material change shall be given to the *City*.

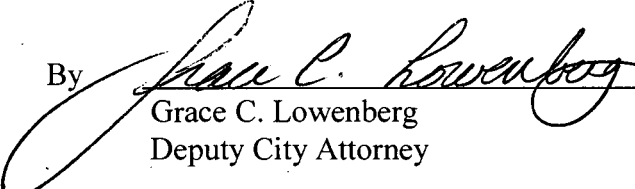
(b) In lieu of the corporate surety bond described in Section 66.0123(a), and at the *City Manager's* sole discretion, the *Franchisee* may deposit an irrevocable letter of credit in favor of the *City* issued by a financial institution authorized to do business in the State of California, open a certificate of deposit in the name of the *City* at a financial institution authorized to do business in the State of California, or deposit cash with the *City Treasurer* in an amount to be determined by the *City Manager*. The first two above described alternatives to the corporate surety bond shall be made through a financial institution and be in a form approved by the *City Manager*.

Section 2. The *City Clerk* is instructed to change the type format to italics and remove the quotation marks for all defined terms in and throughout Chapter 6, Article 6, and to capitalize defined terms therein as currently shown in Chapter 6, Article 6, sections 66.0102 and 66.0502.

Section 3. A full reading of this ordinance is dispensed with prior to its final passage, a written or printed copy having been available to the *City Council* and the public a day prior to its final passage.

Section 4. This ordinance shall take effect and be in force on the thirtieth day from and after its passage.

APPROVED: CASEY GWINN, City Attorney

By 
Grace C. Lowenberg
Deputy City Attorney

GCL:mb
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